

House of Representatives: Public Health

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Interim Charge 2—Review how Texas is preparing for state and federal budgetary changes that impact the state's health programs, including: the Family First Prevention Services Act; **the next phase of the 1115 Healthcare Transformation and Quality Improvement Program Waiver**; Texas' Targeted Opioid Response Grant; the Centers for Medicare and Medicaid Services proposed Medicaid Fiscal Accountability rule, and the Healthy Texas Women Section 1115 Demonstration Waiver.

NAMI Texas is a nonprofit 501(c)3 organization founded by volunteers in 1984. We are part of the nation's largest grassroots mental health organizations and we exist to help improve the quality of life for individuals with mental illness and their families. Around the state, we have 27 local NAMI affiliate organizations and approximately 2,000 members.

Mental Health Care and the 1115 Waiver

Introduction

Approximately one in five adults experience a mental health concern each year.¹ One in twenty adults live with a severe mental illness, such as schizophrenia, bipolar disorder, or major depression. Unfortunately, Texas ranks near the bottom in per capita mental health expenditure.² Healthcare remains a policy priority for Texans, specifically mental health, access to care, and insurance coverage.³ The 1115 Healthcare Transformation and Quality Improvement Program Waiver provides critical funding for uninsured individuals, innovative mental health programs, and integrated care through community partnerships.⁴ However, the Waiver will expire in 2021, jeopardizing essential programs and services for individuals living with mental illness.⁵ Texas

¹ National Institute of Mental Health. (2019, February). *Mental Illness*.

https://www.nimh.nih.gov/health/statistics/mental-illness.shtml#part_154785

² Kaiser Family Foundation. (2015). *State Mental Health Agency (SMHA) Per Capita Mental Health Services Expenditure*. <https://www.kff.org/other/state-indicator/smha-expenditures-per-capita/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

³ Hamel, L., Wu, B., Brodie, M., Sim, S., & Marks, E. (2018, June 14). *Texas residents' views on state and national health policy priorities - Findings*. Kaiser Family Foundation. <https://www.kff.org/report-section/texas-residents-views-on-state-and-national-health-policy-priorities-findings/>

⁴ Texas Health & Human Services Commission. (2020). *Medicaid 1115 Waiver: Overview & background resources*. <https://hhs.texas.gov/laws-regulations/policies-rules/waivers/waiver-overview-background-resources>

⁵ Hinton, E., Musumeci, M., Rudowitz, R., Antonisse, L., & Hall, C. (2019, February 12). *Section 1115 Medicaid Demonstration Waivers: The Current Landscape of Approved and Pending Waivers*. Kaiser Family Foundation. <https://www.kff.org/medicaid/issue-brief/section-1115-medicare-demonstration-waivers-the-current-landscape-of-approved-and-pending-waivers/>

urgently needs to address the Waiver expiration to support treatment accessibility, quality of care, and the wellbeing of Texans. Additional time is needed to adequately reform healthcare in a way that is sustainable, efficient, supports the necessary infrastructure, and in the transition to alternative payment models without jeopardizing the stability of the healthcare system, quality of services, or the safety, health, and wellbeing of Texans.

Mental Health in Texas

Mental health concerns, suicidal ideation, and substance use are increasingly prevalent amid COVID-19; 40 percent of adults are experiencing a mental health or substance use issue, and 45 percent of adults report that their mental health has worsened due to factors associated with COVID-19.^{6,7,8} Unfortunately, Texas ranks near the bottom in per capita mental health expenditure.² Persons with mental health or substance use concerns are less likely to seek treatment when uninsured.⁹ At 29 percent, Texas has the most residents without healthcare coverage and accounts for 33 percent of the nation's uninsured population.¹⁰ 4.9 million adults under age 65 in Texas are uninsured, and another 1.6 million lost employer-sponsored coverage.¹⁰ Persons without health insurance have higher rates of mortality, are less likely to engage in preventative treatment, and don't receive the care they need.¹¹ To address mental health and substance use issues, Texas must bolster mental health capacity across the state.

Impact of the 1115 Waiver

The 1115 Healthcare Transformation and Quality Improvement Program Waiver provides critical funding for uninsured individuals, innovative mental health programs, and integrated care through community partnerships.¹² Funding is allocated to uncompensated care and the Delivery System Reform Incentive Payment (DSRIP) programs.⁴ DSRIP programs have served over 11.7 million Texans over 4 years, with 29.4 million encounters.¹³ The 1115 Waiver ensures individuals with mental health concerns that are ineligible for Medicaid are able to receive the care they need.¹⁴

⁶ Centers for Disease Control and Prevention & U.S. Department of Health and Human Services. (2020). Mental Health, Substance Use, and Suicidal Ideation During the COVID-19 Pandemic- United States, June 24-30, 2020. *Morbidity and Mortality Weekly Report*, 69(32). <http://dx.doi.org/10.15585/mmwr.mm6932a1>

⁷ Pfefferbaum, B., & North, C. (2020). Mental Health and the Covid-19 Pandemic. *New England Journal of Medicine*, 383(6), 510–512. <https://doi.org/10.1056/nejmp2008017>

⁸ Panchal, N., Kamal, R., Orgera, K., Cox, C., Garfield, R., Hamel, L., Munana, C., & Chidambaram, P. (2020, April). *The Implications of COVID-19 for Mental Health and Substance Use*. The Kaiser Family Foundation. <https://www.kff.org/report-section/the-implications-of-covid-19-for-mental-health-and-substance-use-issue-brief/>

⁹ Mental Health America. (2020). *Mental Health in America: Access to Care Data*. <https://www.mhanational.org/issues/mental-health-america-access-care-data>

¹⁰ Garfield, R., Orgera, K., & Damico, A. (2020, January 14). *The Coverage Gap: Uninsured Poor Adults in States that Do Not Expand Medicaid*. Kaiser Family Foundation. <https://www.kff.org/medicaid/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/>

¹¹ Tolbert, J., Orgera, K., Singer, N., & Damico, A. (2019, December 13). *Key facts about the uninsured population*. Kaiser Family Foundation. <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/>

¹² Texas Health & Human Services Commission. (2020). *Medicaid 1115 Waiver: Overview & background resources*. <https://hhs.texas.gov/laws-regulations/policies-rules/waivers/waiver-overview-background-resources>

¹³ Texas Health & Human Services Commission. (2020, August 27). *Delivery System Reform Incentive Payment (DSRIP) Transition Plan*. <https://hhs.texas.gov/sites/default/files/documents/laws-regulations/policies-rules/Waivers/medicaid-1115-waiver/dsrip-transition-plan.pdf>

¹⁴ Centers for Medicare & Medicaid Services. (n.d.). *Managed Care Authorities: 1115 Demonstrations*. <https://www.medicare.gov/medicaid/managed-care/managed-care-authorities/index.html>

Expiration and Consequences

Since 2013, 21 of 164 hospitals in rural Texas have closed, and more face financial hardship that will result in additional closures.²⁰ In rural and low-income communities, hospitals and providers rely on DSRIP funding for uncompensated care. Individuals already struggle to access mental health services.¹⁹ Expiration of the 1115 Waiver will result in reduced mental health services, create additional difficulty in accessing care, and innovative solutions to address the mental health needs in Texas will be eliminated.

Solutions to Mental Health Care

Community Partnerships and the Collaborative Care Model

Investments in community-based mental health services have been shown to improve mental health outcomes and reduce costs associated with greater utilization of law enforcement, emergency rooms, and inpatient hospitalization. The Collaborative Care Model integrates mental health services into primary care setting by emphasizing care coordination and case management. The Collaborative Care Model has been shown to improve treatment outcomes, reduce healthcare service utilization, and produce system-wide cost savings.¹⁵

Medicaid Expansion

The 1115 Waiver ensures individuals with mental health concerns that are ineligible for Medicaid are able to receive the care they need,¹⁶ and those without healthcare coverage are less likely to seek treatment.⁹ This can result in involvement with law enforcement, first responders, utilization of emergency services, and subsequent further costs to Texas and Taxpayers. States that have elected to expand Medicaid coverage show decreased utilization of emergency services, and economic benefits in state revenue and healthcare providers.^{19,17} Expansion improves accessibility to treatment and services, health outcomes, quality of care, and insurance coverage.¹⁷ By expanding Medicaid, Texas will receive federal revenue, reimbursing 90 percent of healthcare costs, and 1.5 million Texans who fall within the coverage gap will receive the treatment they need.^{20,18}

¹⁵ Unutzer, J., Harbin, HJ., Schoenbaum, M., & Druss, B. (2013). The Collaborative Care Model: An Approach for Integrating Physical and Mental Health Care in Medicaid Health Homes. *The Centers for Medicare & Medicaid Services*. http://www.chcs.org/media/HH_IRC_Collaborative_Care_Model__052113_2.pdf

¹⁶ Centers for Medicare & Medicaid Services. (n.d.). *Managed Care Authorities: 1115 Demonstrations*. <https://www.medicaid.gov/medicaid/managed-care/managed-care-authorities/index.html>

¹⁷ Guth, M., Garfield, R., & Rudowitz, R. (2020, March 17), *The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review*. Kaiser Family Foundation. <https://www.kff.org/report-section/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review-report/>

¹⁸ Fritz, R., Pitts, J., & Pitts, Jr., J. (2020, September). *Impact of Medicaid Expansion On The State Budget In Texas* [Report]. Episcopal Health Foundation. <https://www.episcopalhealth.org/wp-content/uploads/2020/09/Fritz-Pitts-Pitts-Sept-2020-Impact-of-Medicaid-Expansion-on-State-Budget-1.pdf>

Continue Innovative Mental Health Care Projects Established Through 1115 Waiver
Rural and low-income communities already struggle to access mental health care.¹⁹ The 1115 Waiver has funded 1,400 projects serving 12 million Texans.²⁰ Community partnerships and DSRIP programs provide an integrative treatment model, mitigate social determinants to health, promote holistic care, and provide the needed treatment for individuals with mental health concerns. Continuing value-based services utilized with DSRIP programs is economically beneficial to Texas and the healthcare system.

Establish Alternative Revenue Sources

DSRIP programs has shifted from fee-for-service models to outcomes, milestones, value-based care, and goal attainment measures.^{13,21} While minimal standards are established by the federal government, Texas should utilize the flexibility provided by the waivers, and the state's authority for eligibility, delivery systems, benefits, and financing through cost sharing or premiums.²² Historically, the federal government has provided additional funds to compensate for increased enrollment recessions.²³ Texas needs to implement alternative payment methods to ensure low-income individuals with severe mental illness receive the treatment they need.

Maintain Improvements in Access and Capacity to Telehealth Service Delivery

Telehealth has improved Texans access to mental health and substance use services, and is as effective as in-person care.²⁴ Telemedicine is an affordable alternative to in-person services, with savings between \$19 and \$121 each appointment.²⁵ Secondary benefits include mitigation of risk to public health, reductions in healthcare system utilization, and the preservation of the healthcare workforce.²⁶ In order to sustain maintain improvements in access to telehealth services, Texas should continue the emergency exemptions for telehealth services and Increase funding for rural broadband internet access to improve behavioral healthcare delivery.

¹⁹ Hoadley, J., Alker, J., & Holmes, M. (2018, November). *Health Insurance Coverage in Small Towns and Rural America: The Role of Medicaid Expansion*. NC Rural Health Research Program & Georgetown University Health Policy Institute. <https://ccf.georgetown.edu/2018/09/25/health-insurance-coverage-in-small-towns-and-rural-america-the-role-of-medicaid-expansion/>

²⁰ Hegar, G., Green, D., Grubbs, S., & Jauer, J. (2019, August). *Texas and the 1115 Medicaid Waiver: Action Needed to Ensure Federal Aid* (No. 96-369). Texas Comptroller of Public Accounts: Fiscal Notes. <https://comptroller.texas.gov/economy/fiscal-notes/2019/aug/healthcare.php>

²¹ Gates, A. Rudowitz, R., & Guyer, J. (2014, September 29). *An Overview of Delivery System Reform Incentive Payment (DSRIP) Waivers*. Kaiser Family Foundation. <https://www.kff.org/report-section/an-overview-of-delivery-system-reform-incentive-payment-waivers-issue-brief/>

²² Artiga, S., Hinton, E., Rudowitz, R., & Musumeci, M. (2017). *Current Flexibility in Medicaid: An Overview of Federal Standards and State Options*. Kaiser Family Foundation. <https://www.kff.org/medicaid/issue-brief/current-flexibility-in-medicaid-an-overview-of-federal-standards-and-state-options>

²³ Rudowitz, R., Orgera, K., & Hinton, E. (2019, March 21). *Medicaid Financing: The Basics [Issue Brief 8953-02]*. The Kaiser Commission on Medicaid and the Uninsured. <https://www.kff.org/report-section/medicaid-financing-the-basics-issue-brief/>

²⁴ Hilty, D., Ferrer, D., Burke-Parish, M., Johnston, B., Callahan, E., & Yellowlees, P. (2013). The Effectiveness of Telemental Health: A 2013 Review. *Telemed Journal and eHealth*, 19(6), 444-454

²⁵ Nord, G., Rising, K. L., Band, R. A., Carr, B. G., & Hollander, J. E. (2019). On-demand Synchronous Audio Video Telemedicine Visits Are Cost Effective. *The American Journal of Emergency Medicine*, 37(5), 890-894. <https://doi.org/10.1016/j.ajem.2018.08.017>

²⁶ Martsof, G., Auerback, D., & Arifkhanova, A. (2015). The Impact of Full Practice Authority for Nurse Practitioners and Other Advanced Practice Registered Nurses in Ohio. *Rand Corporation*. https://neocns.org/Resources/Documents/RAND_RR848.pdf

Conclusion

COVID-19 has exacerbated shortfalls in system capacity. To meet the mental health needs in Texas, aggressive measures must be taken to ensure access, increase capacity, and continue programs funded by the 1115 Waiver. By accepting additional federal funds to expand Medicaid coverage, the financial reliance on uncompensated care reimbursement under the 1115 Waiver would be reduced. Texas urgently needs to explore alternative and innovative solutions for mental healthcare services through delivery, integrative modalities, and accessibility.